

HOUSE BILL 2891

By McKee

AN ACT to amend Tennessee Code Annotated, Section 56-2-105 and Section 56-7-1010 relative to the regulation of group insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-2-105(4) is amended by deleting the subdivision in its entirety and substituting instead the following:

- (4) Transactions in this state involving group or blanket insurance policies and group annuities, issued to an employer outside of this state or a trade or professional association outside of this state, where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to transact business. For purposes of this subdivision, "trade or professional association" means (1) an organization formed by ten (10) or more members of the same trade or profession for the benefit of themselves, and/or their employees, or (2) a labor union. Such trade or professional association shall have been in existence for at least five (5) years and such association shall:

(A) Have a constitution or bylaws:

(B) Have members that support the association by regular payment of dues

on a periodic basis; and

(C) Be created in good faith for a purpose other than that of obtaining insurance.

SECTION 2. Tennessee Code Annotated, Section 56-7-1010 is amended by adding the following new subsection thereto:

(f) Notwithstanding the foregoing, any entity that issues group or blanket insurance policies and group annuities that is required to obtain a certificate of authority pursuant to chapter 2 of this title shall be subject to the jurisdiction of this state.

SECTION 3. To effectuate the provisions of this Act, the Commissioner of Commerce and Insurance shall have the authority to promulgate any necessary rules.

SECTION 4. It is the intent of the General Assembly that the terms "insurance" contained herein shall include "accident and health insurance," inclusive of hospital indemnity, accident, dental, specified disease, disability income, long term care, Champus supplement and Medicare supplement.

SECTION 5. This act shall take effect October 1, 2002, the public welfare requiring it.